

# eurex us

April 29, 2005

Jean Webb  
Secretary  
Commodity Futures Trading Commission  
1155 21<sup>st</sup> Street, N.W.  
Washington, D.C. 20581

Re: U.S. Futures Exchange, LLC — Trading Incentive Programs – Changes to  
U.S. Treasury Futures Program

Dear Ms. Webb:

On December 27, 2004, U.S. Futures Exchange, LLC (“Eurex US” or the “Exchange”) filed self-certification documents under Commodity Futures Trading Commission (“Commission”) Regulation 40.6, as amended on January 11, 2005 and February 28, 2005. Those filings detailed a supplement to the Exchange’s trading incentive program for its U.S. Treasury complex, first established by the Exchange in June of 2004. By this letter, the Exchange is making changes to the supplemental program.

Specifically, the Exchange will make the following changes:

1. Minor changes to the Market Making Program as documented in the attached chart.
2. Suspending the current Revenue Share Program until cross-listed fixed income Eurex products are available via the Exchange’s Global Clearing Link Phase 2, which is still under review by the CFTC.

The attached chart documents the specific changes approved by the Board of Eurex US. The current Market Making Program will continue through the end of 2005 as originally planned, with some minor changes to account for market factors. The Exchange is also suspending the Revenue Share Program until the planned Phase 2 of the Global Clearing Link has been approved by the CFTC and launched by the Exchange. Accordingly, the Exchange will pay out \$2MM to participants in its Revenue Share Program that qualified based on trading results from January through April 2005. The remainder of the guarantee minimum amount will be held until Phase 2 of the Global Clearing Link is launched. At that time, it is planned that fixed income products from Eurex will be cross-listed on Eurex US.

The Exchange has notified all participants in the Revenue Share Program of the impending suspension and will address any issues that may arise with such participants as a result of the changes. Further, the Exchange will apprise the Commission of any issues accordingly, however Eurex US anticipates that no participant will be adversely affected. In fact, the Exchange is of the opinion that such changes will improve the overall performance of its U.S. Treasury futures markets.

Program Terms	2005 Treasury Futures Incentives
Fee Holiday (Applies to all trades)	None (\$0.05 per contract flat rate in effect)
Core Hour <sup>1</sup> MM Product Trading Requirement	Choice of Short-Term (2Y,3Y,5Y) or Long-Term (10Y,30Y)
MM Bid/Ask Spreads <sup>2</sup>	2-3 ticks depending on liquidity
MM Minimum Contract Size	2Y: 10 or 25 <sup>3</sup> , 3Y:30, 5Y:40, 10Y:40, and 30Y:15
MM Time Period	70% of Core Hours
MM Minimum Volume Requirement	None
MM Stipends	\$5,000 per month (Jan – Mar 2005) \$10,000 per month (Apr – Dec 2005 for top 6 MMs in Long-Term) \$5000 per month (Apr – Dec 2005 for top 2-6 MMs in Short Term for qualifying in 1 Short Term product, additional \$2500 per month for each additional Short Term product)
Other MM Awards	Participation in Revenue Share
MM Bonuses	None
Early Volume Adopter (“EVA”) Product Trading Requirement	None
EVA Minimum Contracts Requirement	None
EVA Trading Days Requirement	15 of 20 (21) trading days per month
EVA Rewards	Participation in Revenue Share
Revenue Share Pool	Jan. – Aug. 2005: 25% of 2006 Revenues
Guaranteed Minimum/Maximum Pool	Jan. – Apr. 2005: \$2MM minimum First 4 months after launch of GCL Phase 2: \$3MM minimum
Per Contract Payout Limit	\$5.00
Miscellaneous Rewards	None

Deleted: 4

Deleted: Short-Term and

Deleted: Aug.

Deleted: 5

<sup>1</sup> Core Trading Hours for Treasury Futures are 7:20 am to 2:00 pm Chicago time and for Russell Products are 8:30 am to 3:00 pm Chicago time. The existing MM program featured a European Hours plan, which is not reviewed here.

<sup>2</sup> Bid/Ask Spreads require quoting on both sides of the market at the maximum tick size between bid and offer prices.

<sup>3</sup> MMs can choose to quote the Jumbo 2yr Treasury Future with either 2 ticks wide spread and 10 contracts up or 3 ticks spread and 25 contracts up.

If you have any questions or comments, please do not hesitate to contact me at (312) 544-1076 or [matt.lisle@eurexus.com](mailto:matt.lisle@eurexus.com).

Very truly yours,

Matt Lisle  
Chief of Compliance

CC: Riva Adriance  
David Van Wagner